Objective type Questions & Answers

Q.1 Four possible options are given for each statement. Mark (✓) on the correct option.

1. **Muhammad Ayub Khan came into power:**
   a) 1955 b) 1958 ✓ c) 1965 d) 1971

2. **Second 5 years development plan was from:**
   a) 1950 to 1955 ✓ b) 1955 to 1960
   c) 1960 to 1965 d) 1965 to 1970

3. **The volume of second 5 years plan was:**
   a) 1080 crore rupees b) 1900 crore rupees ✓
   c) 1180 crore rupees d) 1280 crore rupees

4. **Third 5 years development plan was from:**
   a) 1950 to 1955 b) 1955 to 1960
   c) 1960 to 1965 d) 1965 to 1970 ✓

5. **The ordinance for economic reforms was issued by Zia-ul-Haq in:**
   a) 1974 b) 1977 c) 1978 ✓ d) 1979

6. **Fourth 5 year development plan was from:**
   a) 1950 to 1955 b) 1955 to 1960
   c) 1960 to 1965 d) 1970 to 1975 ✓

7. **The fifth 5 years plan was commenced from:**
   a) 1960 to 1965 b) 1965 to 1970
   c) 1970 to 1975 d) 1978 to 1983 ✓

8. **The sixth 5 year plan was commenced from:**
   a) 1960 to 1965 b) 1965 to 1970
   c) 1983 to 1988 ✓ d) 1978 to 1983

9. **Mohtarma Benzazir Bhutto came into power:**
   a) 1988 ✓ b) 1990 c) 1997 d) 2000

10. **The seventh 5 year plans was commenced form:**
    a) 1960 to 1965 b) 1965 to 1970
    c) 1983 to 1988 d) 1978 to 1983 ✓

11. **The eight 5 year plan commenced in:**
    a) 1993-1998 ✓ b) 1994-1998

c) 1995-1999 d) 1983-1988

12. Into how many groups minerals are divided?
a) 2 ✓ b) 3 c) 4 d) 5

13. Minerals Development Corporation was established in:
a) 1970 b) 1971 c) 1974 d) 1975 ✓

14. In Pakistan the production of iron ore was started in:
a) 1952 b) 1955 c) 1957 ✓ d) 1960

15. The iron reserves discovered in Pakistan are estimated at:
a) 430 million tons ✓ b) 450 million tons
c) 480 million tons d) 350 million tons

16. The gypsum reserves discovered in Pakistan are estimated at:
a) 430 million tons b) 450 million tons
c) 480 million tons d) 350 million tons ✓

17. How many cropping seasons are in Pakistan?
a) 1 b) 2 ✓ c) 3 d) 4

18. Rabi season begins from:
a) April b) May c) December d) September ✓

19. Kharif season begins from:
a) April ✓ b) May c) December d) September

20. Madhupur Barrage was constructed:
a) 1867 b) 1862 ✓ c) 1960 d) 1962

21. Indus water Treaty between Pakistan and India was signed in:
a) 1955 b) 1958 c) 1960 ✓ d) 1965

22. The total length of these link canals is:
a) 550km b) 540km c) 570km d) 590km ✓

23. Jinnah barrage has been constructed at:
a) Indus ✓ b) Ravi c) Sutlej d) Chenab

24. Under Indus water treaty dams were constructed:
a) 2 ✓ b) 3 c) 4 d) 5

25. Under Indus water treaty barrages were constructed:
a) 4 b) 5 c) 6 ✓ d) 7

26. Under Indus water treaty link canals were constructed:
a) 4 b) 5 c) 6 d) 7 ✓

27. 2011-2012 the production of rice is approximately:
a) 50 lack tons b) 45 lack tons
c) 55 lack tons ✓ d) 65 lack tons

28. Cotton is being harvested in the Indus Valley since:
a) 1000 BC b) 2000 BC c) 5000 BC d) 3000 BC ✓

29. Small industry means that industry which employs:
a) 2 to 5 workers b) 2 to 7 workers
c) 2 to 9 workers ✓ d) 3 to 9 workers

30. Which the biggest plan for production of hydroelectric power?
a) Terbela Dam ✓ b) Mangla Dam
c) Warsak Dam d) Ghazi Barotha

31. Nuclear power technology was introduced in Pakistan in:
a) 1970 b) 1971 ✓ c) 1986 d) 1999

32. Daily average production of natural gas in Pakistan is:
a) 38000 million cubic metre b) 39000 million cubic metre
c) 4000 million cubic metre ✓ d) 41000 million cubic metre

33. Oil and Gas Development Company Limited (OGDCL)" was established in:
a) 1952 b) 1955 c) 1957 d) 1961 ✓

34. How many oil fields are working in Pakistan?
a) 90 ✓ b) 50 c) 80 d) 60

35. Federal Ministry of Industry presented the plan for dry-ports:
a) 1967 ✓ b) 1969 c) 1960 d) 1978

36. The first dry-ports was built in:
a) 1970 ✓ b) 1973 c) 1975 d) 1980

37. Pakistan Railways built dry-ports in Multan and Peshawar:
a) 1980 b) 1985 c) 1986 ✓ d) 1990

Q.2 Write the short answers.

1. What steps did Ayub Khan take for the economic development?

Answer

In 1958 after coming to power, Ayub Khan gave svere punishments to hoarders, smugglers and black marketeers. Attention was paid to heavy machinery such as steel industry and petro chemicals etc..

2. What are seasonal canals?

Answer

Seasonal canals are non-perennial which run only in summer and the rainy season, when the rivers are filled by heavy rains and melting of ice. These canals are closed down in winter season.

3. Write canals of river Jehlum?

Answer

i) The upper Chenab canal

ii) Lower Chenab canal

iii) Rangpur canal

4. What is the Kareez?

Answer

The rain water of the mountainous areas of Balochistan is carried through underground channels to irrigate. These underground drains are called Kareez. Kareez are made to save the water from wastage because water is very less in Balochistan.

5. How many barrages have been built on Sutlej valley project?

Answer

Four head works were constructed which Ferozpur barrage is under the custody of India whereas Sluimanki Sutlej and Panjnad are situated in Pakistan.

6. What do you know about Rabi crop?

Answer

The season of Rabi crops is from September to April. The Crops mostly grown are wheat, barley, Bengal grams and oil producing crops.

7. What do you know about Kharif crops?

Answer

The season of Kharif crops is from April to October. Its important crops are rice, maize, cotton, sugar cane, sorghum and millet etc..

8. What is utility of live stock?

Answer

The animals are helpful in farming. They are used in ploughing and leveling of land and transportation of crops. Animals like cows, buffalows, sheep and goats etc.. Provide milk, butter, ghee and meat. The hides and skins of animals are tannel into leather to produce leather product.

9. To which countries Pakistan exports its good?

Answer

USA, Europe, Japan Saudi Arab, UAE.

10. What is importance of solar energy?

Answer

Solar energy is the cheapest source of energy. In Pakistan, we have abundance of this energy. In near future, the solar energy will become the biggest source of energy of the world, because the source of energy are costly and difficult to exploit.

ECONOMIC DEVELOPMENT

Chapter **7**

EXERCISE

PART I

Q.1 Four possible options are given for each statement. Mark (✓) on the correct option.

1. **Economic development means:**
   a) increase in national income ✓
   b) increase in agricultural income
   c) increase in personal income
   d) increase in factual national income

2. **Pakistan government established "Pakistan Industrial Development":**
   a) 1942 b) 1948 c) 1956 d) 1952 ✓

3. **Pakistan's economy is:**
   a) developed b) underdeveloped ✓
   c) extremely developed d) extremely poor

4. **5 years development plan stated in Pakistan in:**
   a) 1950 b) 1955 ✓ c) 1958 d) 1960

5. **The first dry port was built in Pakistan in:**
   a) Karachi b) Lahore ✓ c) Sialkot d) Peshawar

6. **Pakistan imports edible oil from America, Sri Lanka and:**
   a) Iran b) Saudia Arabia
   c) Hong Kong d) Malaysia ✓

7. **The largest scheme of producing hydro-electric power in Pakistan is: ____________________**

a) Ghazi Brotha Projecct
b) Mangla Dam
c) Tarbela Dam ✓
d) Warsak Dam

8. With the cooperation of the World Bank, the Indus Water Treaty between Pakistan and India was settled in:

a) 1950
b) 1958
c) 1960 ✓
d) 1962

9. The largest sector of Pakistan's economy is:

a) trade
b) industry
c) agriculture ✓
d) services

10. Who came into power in Pakistan in 1958?

a) General Sikander Mirza
b) General Muhammad Ayub Khan ✓
c) General Yahya Khan
d) General Zia-ul-Haq

PART II

Q.4. Give the short answers.

1. Write the definition of economic progress as given by Prof. Arhthur Lewis.

Answer

According to Professor Arthur Lewis

"The increase in the production of goods and services is called economic development."

"To spend a better life, fundamental changes are brought about in the economy which results in economic development. In short, the movement of a backward economy towards becoming a developed economy is called economic development.

2. Which organization was developed in 1975 for the development of economic resources?

Answer

In 1975 the government of Pakistan established organization called Pakistan industrial development corporation.

3. What is meant by small industry?

Answer

Small industry means that industry which employs 2 to 9 workers and manufactures different items. A few of our small industries are:

i) dairy farming industry
ii) bee-keeping industry
iii) poultry farm
iv) carpet weaving etc..

4. Make three suggestion to solve agricultural problems in Pakistan.

Answer

i) All cultivable land should be used. Barren and desolate land should be made cultivable.

ii) To protect farmers from the harms of fragmentation of land holdings, better legislation should be done for consolidation of land holdings.

iii) Tube wells and wells should be established where stream water is not available to encourage farmers. Electricity should be made available for tube wells at cheaper rates.

5. What is meant by exports and imports?

Answer

To bring or carry in from an outside source, especially to bring in goods or sale is called imports. To send or transport abroad, especially for sale or trade is called exports.

6. Narrate the uses of gypsum?

Answer

In the preparation of phosphate fertilizer, gypsum is used as a raw material. It is also used in cement industry, paper manufacturing, plaster of paris, sulphuric acid, paint and polish industry and also in rubber industry.

7. Write the name of five cities of Pakistan where dry-ports are established?

Answer

Lahore, Multan, Peshawar, Hyderabad and Sialkot.

8. To which countries does Pakistan export sports good?

Answer

Holland, Belgium, France, Italy, Britain, Germany and America etc. are important buyers of Pakistani sports goods.

9. Narrate four important problems being faced by the agricultural sector of Pakistan.

Answer

i) Natural disasters

Natural disasters like floods, earthquakes, storms and drought cause problems for farmers. These cause seven damage to the crops.

ii) Lack of intensive cultivation

In Pakistan, the use of advanced seeds chemical fertilizers and agricultural machinery is not very popular. Less attention is paid towards cultivating more and more crops on agricultural land.

iii) Lack of agricultural credit

Due to scarcity of organizations giving agricultural credit, farmers take these loans from money landers. The percentage of interest are huge. These people exploit the formers and worry them.

iv) Backwardness of farmers

Illiteracy is a major reason for the backwardness of farmers. This makes the farmers enable to learn new methods or plan for the better production.

PART III

Q1. Explain the important problems being faced by our agricultural sector.

Answer

Problems of agriculture in Pakistan and their remedies

Agriculture is the major occupation of the people of Pakistan. Even today agriculture is a major sector and occupies a very important place in the economy of Pakistan. It not only provides food for our growing population but is a source of raw materials for our principal industries as well as a source of foreign exchange for our government.

24% of our gross domestic products belong to this sector. It engages 53% of our employed labour .About 75% of our people are engaged directly or indirectly with this profession. A large part (about 10%) of Pakistan's exports is made up of primary commodities, including the major cash crops. In addition to this major large scale industries like cotton textile and sugar etc. as well

as medium and small scale agro-based and cottage industries are directly dependent on this sector for their raw materials.

Problems

Following are the causes of our backwardness in agriculture:

1. The farmers of our country are mostly un-educated and lack technical knowledge .They are unable to understand the modern scientific methods of agriculture and often remain ignorant of good means to protect and increase their yield. Their production is therefore low.
2. The majority of our farmers are poor and they often live in a hand to mouth position. Most of them are always under heavy burdens of debts. So due to lack of capital they cannot afford to purchase modern scientific implements, chemical manures, improved types of seeds etc. Hence they cannot attain the required standards.
3. Most of our farmers are still stuck to the old traditions of their fore fathers. The circumstances have compelled them to use the crude implements, because due to small holdings of land and poverty they are unable to acquire and use modern scientific methods. That is why their standard is lower than that of cultivators in developed countries.
4. Due to excessive use of canal water, most of our cultivated lands have become victims of these two dangerous diseases. Every year, salinity alone, is turning about 1, 00,000 acres of arable land into marches and salt lands. Water-logging is no less injurious. On the other hand the measures taken so far are quite inadequate for such issues.
5. Due to our law of inheritance, our farmers command very small pieces of hands which prove to be costly. A farmer cannot afford tractors and other machineries for a small piece of land and those incomes are low. Hence his interest is converted to some other sector.
6. Our farmers have to face many problems due to scarcity of water which is one our major problems. Large tracts of land estimated to be about 22 million acres is lying uncultivated due to shortage of water. Rainfall is uncertain and the existing irrigational facilities in our country are quite insufficient and need to be extended.

7. The land tenure system of Pakistan has created a chain of intermediaries in between the state and the tenants. The system, instead of being conductive to agricultural development, stands in the way of its progress.
8. In some areas of our country, especially in hilly regions, the upper fertile soil is being eroded by different natural agents of change .Thus the fertility is poor and soils are becoming less productive.
9. The marketing facilities for agricultural products in Pakistan are still far from satisfactory level. Our cultivators cannot get just prices for their produce due to defective marketing organization. Moreover the chain of middlemen between the producers and ultimate consumers take a heavy share of their produce .Thus the cultivators do not take much real interest in increasing their product too.
10. Due to lack of agricultural education and methods of modern research, our farmers cannot control the various diseases of crops and attacks of pests and insects. The result is low yields.
11. The agricultural activities in our country are performed in rural areas, but most of our villages have no road or railway links with our markets. So farmers have to face innumerable hardships to sell their products. Hence the farmers take very little interest in their profession and production suffers.
12. The resources required for agricultural operation are land, layout, livestock, farm equipment, seeds, fertilizers, irrigation, transport etc. For the convenient and timely procurement of these resources the farmers must have easy access to credit. Zarai taraqiati and commercial banks provide loans to the farmers which are insufficient because our farmers are very poor.
13. Due to the above mentioned facts, it is clear that the yield per acre of various crops in our country is comparatively low than of the other countries. Hence we are backward agriculturally.

Q2. Explain the remedies to overcome the agricultural problems.

Answer

Remedies to overcome the Problems:

1. The land which has been declared useless due to salinity and water-logging should be reclaimed. Tube-wells should be installed in the affected areas to decrease the salinity. Beds of new canals should be made of concrete to avoid water-logging. These measures should be taken on priority basis to avoid further deterioration of land.
2. The major problem of agriculture in Pakistan is scarcity of water. Most of the land is lying unused due to this problem. Therefore, it is necessary that the irrigation facilities be extended for increasing agricultural output.
3. The agricultural yield can also be increased to a great extent by using fertilizers. The use of artificial manure should be introduced throughout the country. Due to poverty and illiteracy our farmers hesitate to purchase the fertilizers.
4. The use of better seeds, fertilizers and modern implements is not possible without adequate credit facilities for the farmers. The government has extended the existing credit facilities to a large extent. The commercial banks also grant loans to the farmers, but still there is a need for more facilities as our farmers are very poor.
5. The farmers should be provided better quality seeds at the lowest price and at the right time. Better seeds will ultimately give better yield.
6. Various plant diseases damage a large part of our crops. But our farmers have no effective control over them. Therefore, preventive and narrative measures should be taken throughout the country.
7. Mechanization of agriculture refers to the use of various equipments the different stages of cultivation. By the use of modern equipments better results can be achieved in the shortest time.
8. Co-operative farming refers to the farming done on the basis of mutual help and co-operation. Under this method the small holdings are consolidated. In this way the owners of small holdings can also use fertilizers and modern equipments jointly. After harvesting, the yield can be distributed among the owners according to their ownership.

9. Increase of literacy ratio in rural areas especially in agree-education is the need of the day. The more educated the farmers will be the better will be the results achieved.
10. Marketing procedures should be simplified and various marketing facilities should be provided to the cultivators.
11. The rural areas of the country must be provided with road and railway links with marketing centres and better means of transport and communication should be provided.

Q3. Explain the cottage and small industry of Pakistan.

Answer

Cottage and small industry of Pakistan

In Pakistan cottage or household industries hold an important position in rural set-up. Most villages are self - sufficient in the basic necessities of life. They have their own carpenters, blacksmiths, potters, craftsmen and cotton weavers. Many families depend on cottage industries for income.

Cottage industries have also gained immense importance in cities and towns. There is great demand for hand-woven carpets, embroidered work, brassware, rugs and traditional bangles. These are also considered important export items and are in good demand in international markets.

1. Cottage and small-scale industries are labor intensive and provide employment to 80% of the industrial labor force. This reduces the unemployment and offers opportunities for self-employment.
2. Traditionally, women are not encouraged to work outside their homes. Cottage or small-scale industries like carpet-weaving, candle-making and handicrafts can be established in houses and women can be gainfully employed. This increases the active labor force.
3. These industries also meet the local demands for industrial goods, and save foreign exchange spent in imports.
4. There is a demand for rugs, carpets, brassware, handicrafts and embroidered work in the International market. These goods provide 30% of the export receipts of the manufacturing sector.

5. When people are employed gainfully in villages, the migration of people from rural to urban areas will reduce. The acute problems of housing, sanitation, education, transport and health will be reduced in urban areas.
6. Many districts are under-developed. With the expansion of such industries, the regional disparity in income can be reduced.
7. These industries make effective use of local raw materials which also promotes primary industries like agriculture and mining.
8. Small-scale industry does not require much capital and high technology. I.T is suited to the traditional economic set-up.
9. Cottage and small-scale industries do not use much imported material or equipment.
10. The waste of large-scale industries, particularly the cotton, sugar and steel industries, can be used to make by-products.

Types of cottage and small industries of Pakistan

There is a web of cottage and books industries. In almost every village, there are a number of such industries depending upon the size of the village and the demand for the products. The establishment of such industry is closely related to the availability of raw material traditional skills, climatic conditions and, in several cases, the local specialization in the organized factory sector.

There is a large variety of handicrafts available in Pakistan. They are not only aesthetically pleasing items, but they also serve the needs of local people.

Some of these industries produce important export items. Recently exports of non-cotton products have faced increasing trade barriers as public opinion in industrialized countries has expressed growing concern about child labor, environmental and health standards. These concerns are being addressed now.

Carpets

In the small scale industries, the most important is the Carpet weaving and its center are located almost all over the Pakistan. It is also significant in economic terms and they make valuable contribution in exports. They employ women and children for the production of fine hand woven carpets and made of wool silk or a mixture of the two.

Textiles

Textiles are found throughout the country with a variety of design and techniques. The most famous among them are Khaddar, Susi, Khes, Chunri, Boski, Karandi, Shaal, and Ajrak. The designs are invariably brightly colored with traditional emphasis on blue and red.

Embroidery

Embroidery has developed to a fine art with distinctive regional designs and patterns.

Jewelry

Gold and silversmiths are one of the largest communities of craftsmen. Much of the jewelry made and sold in the cities is intricately fashioned and delicate.

Ceramics

Clay and terracotta pottery and utensils continue to be of great practical importance. Many of the designs of urns, pitchers, bowls, jugs, plates, and pots seen today are almost identical to those un covered at archaeological sites around the country. Distinctive glazed blue tiles are used to decorate many of the great mosques in Pakistan.

Cutlery

Wazirabad is the city of cutlery industry in Pakistan. This industry is growing day by day and has share of 65 million US dollars in Export for 2010. High Quality Damascus Steel is manufactured in this city and 95% of world needs are produced here.

Woodwork

The Swat Valley is perhaps the most famous for its intricately carved architectural woodwork and furniture, although wood-carving is common throughout the northern mountains.

Sports goods

Sports goods earn about 3.7% of our total exports. The main raw material for the sports goods industry are leather and mulberry wood that are available in Punjab, but also imported PVC. Football, hockey ball, hockey sticks, cricket bats and rackets are mostly manufactured by hand. The skilled workers are available in Sialkot and Lahore. In the industry large and medium size factories contract work out to small-scale and cottage concerns. The local sports goods manufacturing industry is one of the major source of foreign exchange earnings of Pakistan. It is centralised in and around the city of Sialkot, where it has flourished as a cottage industry with most of

its production by generations of skilled craftsmen. At the time of independence, this industry was in an infant stage with a nominal export of Rs. 0.82 million. The Government took immediate steps to develop this industry by providing loans and subsidies to the manufacturers and arrangements were made to market the manufactured goods. Since then, the industry has flourished locally and enjoys good reputation in the international markets as well.

Q4. Discuss the problems of cottage and small scale industries in Pakistan

Answer

Problems of cottage and small scale industries in Pakistan

Cottage and small-scale industries contribution to the GDP is only 5%. There are certain problems associated with these industries that are mentioned below.

1. Profits are limited and they are mostly spent on the daily expenses of the owners. They do not have extra capital for expansion of these industrial units.
2. Economies of scale are not available so production cost is higher. Goods produced in small-scale industries cannot compete in open market if the same goods are manufactured on a large scale.
3. The wholesaler, who takes most of the profits, exploits the owners of the small-scale industry. In some cases goods are sold to wholesalers at cost price, which discourages the owners and they reduce the quality and quantity the produced.
4. In rural areas, where the electricity is not provided, small-scale industries are difficult to set up. Even the great fluctuation in voltage and power break-downs cause damage to the electric motors. The commercial rates of electricity have also increased significantly which hinders the growth.
5. The craftsman and artisans learns their skills and production methods from their elders. The provision of technical advice and further training is limited.

Government policy towards small industry

The government is fully aware of the potential of cottage and small-scale industries for industrial development. The following

organizations have been established to develop this sector of economy.

1. Pakistan Small Industries Corporation (PSIC)
2. Punjab Small Industries Corporation (PSIC)
3. Sindh Small Industries Corporation (SSIC)
4. The Small Industries Development Board NWFP (SIDB)
5. The Directorate of Small Industries Baluchistan (DSIB)

The above organizations are taking the following measures:

i. Establishment of industrial estates.
ii. Providing marketing facilities.
iii. Setting up of technical service centers.
iv. Establishing handicraft development centers and carpet centers.
v. Providing per-investment counselling and guidance to newcomers.
v. Providing local and foreign loans to small industry owners on easy instalments.

Q.5. Give a brief account on major industries of Pakistan.

Answer

A brief introduction about the major/large scale industries of Pakistan is given along the following lines.

1. Textile Industry

The textile industry is the largest industry of Pakistan. At the time of partition, Pakistan received only 17 textile units in its share. The production of textile was very low and a large quantity of textile had to be imported to meet the domestic, requirements. Now, Pakistan is a prominent country for the production of textile. The textile industry accounts for 17.3% of value added, 32.2% of industrial employment and 60% of total exports. There were 354 mills operating in the textile industry in 2001-02. The installed capacity of spindles was 8841 thousand and installed capacity of looms was 10 thousand in the same year. The production of cloth was 558 million square meters by the organized mills sector. Various steps have been taken by the Government for the growth of the textile industry e.g. the provision of incentives, freedom to acquire technical assistance from

abroad, directly financing institutions and improvements in management and labour efficiency etc.

2. Vegetable Ghee and Cooking Oil Industry
At the time of independence oil industry was very poor. Now there are 150 vegetable ghee and cooking oil factories in Pakistan. Out of these 26 are in the public sector with an installed capacity of 500 thousand tonnes of ghee and cooking oil. Total production of ghee and cooking oil was 774 thousand tonnes in 2001-02. A large quantity of cooking oil is imported to meet the domestic needs. The decline in the production of vegetable ghee is due to lower scale turnover and operational difficulties & closing down of two units in N.W.F.P.

3. Sugar Industry
In 1947, there were only 2 sugar factories in Pakistan, but at present there are 77 sugar factories in the industry. During the year 2001-02 total production of sugar was 3247 thousand tonnes. Revolutionary steps are required to expand the working capacity of this industry, which must be expanded and facilities should be provided to farmers for the production of better crops.

4. Fertilizer Industry
There are 10 fertilizer units (6 in the public sector and 4 in the private sector) in the country, having an installed capacity of 42,98,000 N. Tonnes (16,74,000 N. Tonnes in the public sector and 26,24,000 N. Tonnes is the private sector). Total production of fertilizers in 2001-02 was 5012 thousand tonnes. The low production was caused, by operational difficulties, decline in working hours and power failure/load shedding. A number of concessions are provided for the growth of this industry.

5. Cement Industry
At present 24 cement factories are operating in the country, out of these 4 factories are in public sector and 20 are in private sector. The installed capacity of cement is 16,300 thousand tonnes out of which 9935 thousand tonnes of cement was produced in 2001-02. This industry has been allowed duty free import of plant and machinery.

6. Chemical Industry
There are 12 chemical factories in the country producing, soda ash, sulphuric acid, caustic soda, chlorine gas and other chemicals. The contribution of the chemical industry towards GNP is only 3%. This

industry is not fulfilling domestic requirements, so a large amount of foreign exchange is spent on the import of different chemicals every year.

7. Jute Industry

At the time of independence there was not a single jute factory in Pakistan. By the cooperation of PIDC, 32 factories were setup in East Pakistan and one in West Pakistan by the time of separation of East Pakistan in 1971. At present there are 12 Jute mills in the country. Total production of Jute goods was 81.7 thousand tonnes during 2001-02. Now a large quantity of Raw Jute is imported from China and Bangladesh every year to meet the domestic requirement.

8. Engineering Goods Industry

The engineering goods and capital goods produced domestically are very helpful for economic development of a country. This industry was given importance in the 3rd five year plan. Now we have 4 heavy engineering industries. There are:

(1) Heavy Mechanical Complex, Texila

(2) Heavy Foundry Project, Taxila

(3) Pakistan Machine Tools Factory, Landhi

(4) Pakistan Steel Mills, Karachi.

All these are in the public sector. There are also a number of light and medium engineering goods industries producing a lot of items.

9. Ship Building Industry

Ships are constructed at Karachi. A number of small and large ships are made by Karachi yard and Engineering works. This factory was establised by PIDC. Now Pakistan is selling ships and boats abroad. In all the five year plans, this industry is given much importance.

10. Woolen and Worsted Textile Industry

There are 16 woolen mills in Pakistan. These are located at Karachi, Nowshera, Lawrencepur, Quaidabad and Hamai. This industry is not only meeting the worsted and woolen yarn requirements of the country, but it is also exporting a large quantity of worsted cloth and carpets to foreign countries.

11. Cigarette Industry

At present 22 factories are producing cigarettes and Biri. Our country is self sufficient in the production of cigarettes. The raw tobacco used in the manufacturing of cigarettes is produced domestically.

During the year 2001-02, 55,318 million cigarettes were produced in the country.

Q.6 Narrate the importance of resources of energy for development.

Answer

The importance of energy

Energy growth is directly linked to well-being and prosperity across the globe. Meeting the growing demand for energy in a safe and environmentally responsible manner is a key challenge.

Modern energy enriches life. There are seven billion people on earth who use energy each day to make their lives richer, more productive, safer and healthier. It is perhaps the biggest driver of energy demand: the human desire to sustain and improve the well-being of ourselves, our families and our communities. Through 2040, population and economic growth will drive demand higher, but the world will use energy more efficiently and shift toward lower-carbon fuels.

Q.7 Discuss the production of important energy resources in Pakistan and their usage.

Answer

Energy sources of Pakistan

An energy source is a system which makes energy in a certain way, for instance a hydro-electric station. A hydro-electric station uses the current of the river for the making of electricity. We use many different energy sources to do work for us.

Energy sources are classified into following two groups:

Non-Renewable

In our world, most of our energy comes from non-renewable energy sources like Coal, petroleum, natural gas, propane, and uranium are nonrenewable energy sources. They are used to make electricity, to heat our homes, to move our cars, and to manufacture all kinds of products.

These energy sources are called non-renewable because their supplies are limited. Petroleum, for example, was formed millions of years ago from the remains of ancient sea plants and animals. We cannot make more petroleum in a short time.

Renewable

Renewable energy sources include biomass, geothermal energy, hydropower, solar energy, and wind energy. They are called renewable energy sources because they are replenished in a short time. Day after day the sun shines, the wind blows, and the rivers flow. We use renewable energy sources mainly to make electricity.

Nowadays we need energy-sources for electricity. Without electricity no computers, no television, no washers. A lot of apparatus would not work without electricity.

Sources of Energy

These are the most important sources of energy.

Nuclear Power (Non-Renewable)

Nuclear power is a form of energy which arise from a reaction between atomic nuclei. Mostly this form of energy comes out of nuclear fission.

Fossil Energy

Fossil energy is generated through the burning of fossil remains. At this burning the fossil fuel is used as a source of heat to make steam out of water. This steam is used for the working of a turbine. With the help of a generator, this turbine can make electricity. Examples of fossil fuels are oil, natural gas and coal. These fossil fuels are remains of dead materials of plants and animals. These plants and animals died over a million years ago and under the pressure of the earth's surface and through the decay of this material there came a process of compression. Carbon is the main part of these fossil fuels, the more carbon, the heavier the fuel.

Hydro Energy

Hydro energy is simply energy that is taken from water and converted to electricity. Hydro energy can be obtained by using many methods of capture. The most common method of using energy from water is a hydroelectric dam, where water coming down through an area causes turbines to rotate and the energy is captured to run a generator. Power can also be generated from the energy of tidal forces or wave power, which uses the energy created by waves.

A hydropower source of energy is well known in Pakistan and there is ever growing experience in this sector to develop the hydropower potential indigenously in the country. The total Hydropower resources is estimated at about 50,000 MW. Most of the resources lie in the North of the country, which offers sites for large

scale (100 MW to 7,000 MW) power projects. Smaller (less than 50 MW) sites are available throughout the country. In addition, canal system with total of 58,450 km watercourses, farm channels and field ditchers running another 160,000 km in length has a huge hydropower potential at numerous sites/locations on each site, ranging from 1 MW to more than 10 MW hydel plants can be installed.

Geothermal in Pakistan

Most of the high enpathalpy geothermal resources of the world are within seismic volcanic activity. A global seismic belt passes through Pakistan and the country has long geological history of geotectonic events. Pakistan possesses a good regime for goethermal energy. Many hot water springs, some generating surface water temperature upto 83oC lie in the North of Pakistan. Geothermal sites have also been identified in Balochistan and Sindh. Although detailed survey have not been conducted. In Tibet, which occupies more or less the same geological position in Himalayan mountain ranges as Pakistan, more than 6000 surface indications of geothermal energy resources have been discovered with an estimated potential of 800,000 KW. It is estimated that over 5,000 MW of Geothermal resources can be commercially tapped in the short run.

Nuclear power

The Pakistan Atomic Energy Commission (PAEC) is responsible for all nuclear energy and research applications in the country.

Its first nuclear power reactor is a small 137 MWe (125 MWe net) Canadian pressurized heavy water reactor (PHWR) which started up in 1971 and which is under international safeguards – KANUPP at Paradise Point in Sindh province, about 25 km west of Karachi. It is operated at reduced power.

The second unit is Chashma 1 in Punjab province in the north, a 325 MWe two-loop pressurised water reactor (PWR) supplied by China's CNNC under safeguards. The main part of the plant was designed by Shanghai Nuclear Engineering Research and Design Institute (SNERDI), based on Qinshan 1. It started up in May 2000 and is also known as CHASNUPP 1. Designed life span is 40 years. It, and the following 3 units, were built using international design codes and standards.

Solar electric power

Pakistan lies in an area of one of the highest solar insulation in the

world and has immense solar resources, suitable for both Photovoltaic (PV) and Thermal i.e. Concentrated Solar Power (CSP) applications. There are certain regions of south, Quetta valley and Central Punjab that receive maximum solar radiation. The Annual Direct Normal Solar Radiation for CSP is in the range of 7-7.5 KWh/m2/day in many parts of Balochistan and between 6.5-7 KWh/m2/day in other parts of Balochistan. 5-5.5 KWh/m2/day in Southern Punjab and Northern Sindh and around 4.5-5 KWh/m2/day in rest of Pakistan.

According to the Pakistan Energy Book 2004-05, solar energy falling on 0.25% Balochistan province would be adequate to meet the current requirement of the country with 20% efficient devices.

Wind electric power

Wind energy is another important area where Pakistan can benefit by exploiting it in efficient manner. This sector is getting worldwide attention with the development and availability of inexpensive technology that allows its easy conversion to useful energy. Recognizing the vast potential that wind energy offers, a number of initiatives in Public and private sector have been taken. Pakistan has 1000 Km long coastline, which could be utilized for installation of wind farms. There are regions in the mountainous areas of Pakistan, which has the potential for wind energy generation.

Natural gas

The miraculous Pakistan is blessed with infinite natural resources by the God and natural gas is the most precious one. The recoverable reserves of natural gas have been estimated at 29.671 trillion cubic feet. During July-March 2008-09 the production was 3986.5 million cubic feet per day as compared to 3965.9 mmcfd during the corresponding period last year showing an increase of 0.52%. Presently 26 private and public sector companies are engaged in oil and gas exploration and production activities.

Following are the natural gas fields in the Pakistan:

i) Adkhi
ii) Badim
iii) Bhit gas field
iv) Khasan gas field
v) Kandanwari gas field
vi) Kandkhot field

vii) Khan field
viii) Mari field
ix) Miano gas field
x) Mizra field
xi) Sawan gas field
xii) Sui gas field
xiii) Toot gas field
xiv) Ul Haq field
xv) Zamzama field

The Sui gas field is the biggest natural gas field in the Pakistan. It is located near Sui in Baluchistan. The gas field was discovered in the late 1952 and the commercial exploitation of the field began in 1955. The Sui gas field accounts for 26% of Pakistan's gas production. Remaining reserves are estimated to be at about 800 billion cubic feet and the daily production is around 660 million cubic feet of natural. The operator of the field is Pakistan petroleum limited.

Q. Study the foreign trade of Pakistan, its composition, direction and changes in balance.

Answer

Foreign Trade of Pakistan

Introduction

When Pakistan came into being her economy was completely based on agriculture. The experts consisted of agricultural products only. For the economic development of the country there was need for diversification of her trade and a change in her pattern. The government of Pakistan decided to industrialize the country as rapidly as possible. Export promotion was regarded as one of the highest national commitments by the government. Various measures were adopted for export improvement. Pakistan participated in International Trade Conferences and Fairs. The Export Promotion Bureau and Export Promotion Council were set up to provide assistance and information to potential foreign buyers. A large number of concessions and incentives were given to the export trade section etc. As a result the pattern of trade in Pakistan changed. Experts increased and now these include industrial finished products as well as raw materials. In spite of the different measures taken by

the government for boosting the export, still our imports are greater than the exports. The balance of trade is unfavourable and deficit.

The year 1991-92 was estimated to have closed with a balance of payment deficit of dollar 2.6 billion plus. Indeed as far as one may go back the balance of payment has been in the red, with the figure hovering over dollar 1 billion throughout the last ten years or so.

Chief Export Items of Pakistan

Following are the main items which may be included in our export list:

1. Cotton

Cotton ranks at the top of the export list of Pakistan. Pakistan occupies first position in Asia and second position in the world as an exporter of cotton and cotton products. Export of Raw cotton, cotton cloth and cotton yarn together contribute approximately 40 to 42% to the total export earning of Pakistan. Karachi with the cotton growing hinterland has almost the monopoly of the trade.

Pakistan grows surplus amount of best quality long staple American Upland Cotton which is very much demanded all over the world. Our main customers of raw cotton are U.K, China, Japan, Hong Kong, Belgium, Indonesia, Italy, Singapore and Bangladesh.

2. Rice:

Pakistan has emerged as one of the leading exporters of rice .In the previous years rice was at the top of our export list but due to fluctuation in the world market, its demand has decreased. Best qualities like Basmati and Irri-6 are exported. Pakistan exports rice to almost all the Gulf States and Middle Eastern, European, East Asian and some African countries.

3. Carpets, Rugs and Mats:

Pakistan earns a large amount of foreign exchange by exporting very fine quality carpets rugs and mats. Due to heavy competition in world's market their demand is increasing.

U.S.A. is an important buyer of Pakistani carpets, rugs and mats. Other customers are mostly European countries including France, U.K., Italy, Switzerland, W. Germany, Belgium etc

4. Fish and Fish Preparations:

Fish is exported, fresh, canned and dried. Shrimps are exported to Japan and U.S.A. canned fish finds its market mostly in W. Europe.

Middle Eastern and South Asian countries are also important customers of Pakistani fish and fish preparation.

5. Leather and Hides:

Pakistan produces hides and skin worth approximately 2 crore every year of which 40% are exported. Now, because of leather industries in our country export of hides and skin. Italy, Spain, Japan, France, China, Romania, W. Germany etc. are important markets in this regard.

6. Synthetic Textile Products:

Pakistani Synthetic Textile Products are popular in various foreign countries. These are mainly exported to Middle Eastern, African and South American countries.

7. Petroleum Products:

There are 3 oil refineries in Pakistan where crude petroleum is imported and a number of petroleum products are being produced. Some of the surplus products are exported to India, Turkey, Sri Lanka, Singapore etc.

8. Sports Goods:

Pakistan has a worthy name in exporting sports goods to more than 100 countries, principally to W. Germany, U.K., Italy, U.S.A., France etc.

9. Surgical Instruments:

Pakistan is also exporting surgical equipments to China, Japan, America and Canada. Besides the above mentioned items, Pakistan exports a number of miscellaneous items like raw wool, Tobacco, Fruits, Vegetables etc. to various countries.

Chief Import Items of Pakistan

Following are the main items of our country:

1. Mineral Oil:

Our country is not self sufficient in our mineral oil requirements. The present oil production of our own country meets only about 24% of the country's requirements. So to meet the deficiency, we have to import a large amount of mineral oil from other countries. We import mineral oil from Saudi Arabia, Iran, U.A.E and other Middle East countries.

2. Machinery:

As our country is in its developing stage, we have to import different

kinds of machinery to meet the demands of various industries. The machines are usually imported from Japan, U.S.A. and European countries.

3. Edible Oil:

The production of edible oil is not sufficient to meet the demand of our Ghee industry. Although the government has taken various measures to boost up the production of oil seeds, but inspite of those our country is still deficient in edible oil so we have to import enough amount of edible oil e.g. soyabean oil from U.S.A. and Palm oil from Malaysia and Indonesia.

4. Chemicals and Drugs:

The economy of our country mainly demands on agriculture, so to get higher yield from different crops spray of various chemicals is essential. Thus to meet all these demands of our agricultural sector, we have to import various kinds of chemicals and drugs from other countries. The chemicals and drugs are mainly imported from Japan, Germany, U.S.A., U.K., and other European countries.

5. Dyes And Colours:

Various Industries of our country use a number of dyes and colours as raw material in their products such as textile, inting etc. so to meet the demand of all these industries, various kinds of colours and dyes are imported. These colours and dyes are mainly imported from Japan ,U.K.,U.S.A, etc.

6. Tea:

Our country produces a very small quantity of tea which is sufficient to meet the demand of our country. So various tea companies port huge amount of tea. Tea is mainly imported from Sri Lanka, Bangladesh, India and Kenya.

7. Electric Goods:

Different kinds of electrical goods are needed in our country. The local industries are not in the position to meet the required demand so we have to import a large number of electric goods from Japan, U.S.A., U.K. and other European countries.

8. Transport Equipments:

Our country needs different kinds of transport equipments e.g. buses, cars, rickshaws, motorcycles. So demand of these are high and hence they are imported from Japan, Italy and other countries.

9. Paper and Paper Products:

Before 1971,we had a number of paper mills our eastern wing and our requirements were fulfilled from the eastern' .Although, after 1971 some paper mills were set up in the western wing, are still deficient in paper especially in paper for newspaper industry. We have to import a large amount of news print paper and other kinds of paper from Canada, Japan, Sweden, U.S.A. etc.

Q. Explain the importance of seaports and dry ports in Pakistan.

Answer

Importance of seaports and dry ports in Pakistan

Importance of Seaports

Many Western developed nations depend for their development on the Middle East Oil. This Oil is shipped through Arabian Sea to all the Far East countries passing through the Karachi seaport. All the international trade of land tight countries of Central Asia and Afghanistan carry out their international trade through the Karachi sea port China is expected to carry out its international trade through the sea port of Gwadar.

Further all the food grains, wheat, wool, sheep of Australia are exported via Karachi sea port to the Middle East and Europe and North Africa through Karachi. All the Far East countries carry out their exports and imports with Europe and America through Karachi sea port.

In the East of Pakistan there is another series of Muslim countries which comprises of Bangladesh, Malaysia and Indonesia and Maldives and their countries also carry out their export and imports with Europe of America through the Pakistan Sea Port that's why Quaid-e-Azam had rightly remarked. "Pakistan is the key of Unity of Islamic World"

Importance of dry ports

A dry port provides services for the handling and temporary storage of containers, general and bulk cargoes that enters or leaves the dry port by any mode of transport such as road, railways, inland waterways or airports.

A dry port of international importance shall refer to a secure inland location for handling, temporary storage, inspection and customs clearance of freight moving in international trade.

Major Dry Ports of Pakistan

1. Fasialabad Dry Port
2. Lahore Dry Port
3. Multan Dry Port
4. Quetta Dry Port
5. Pashawar Dry Port
6. Rawalpindi Dry Port

Q. Study the economic development of Pakistan from 1947 to 1970.

Answer

Economic history of Pakistan

The economic history of Pakistan begins with the country's independence in 1947. The economy of Pakistan is a semi-industrialized one, based heavily on textiles, agriculture and food production, though recent years have seen a surge towards technological diversification. The land forming modern-day Pakistan was home to the ancient Indus Valley Civilization from 2800 BC to 1800 BC; historical evidence suggests that the civilization relied on and carried trade through the Indus River, and its inhabitants were some of the most resourceful traders.

First five decades

Pakistan's average economic growth rate since independence has been higher than the average growth rate of the world economy during the same period. Average annual real GDP growth rates were 6.8% in the 1960s, 4.8% in the 1970s, and 6.5% in the 1980s. Average annual growth fell to 4.6% in the 1990s with significantly lower growth in the second half of that decade.

During the 1960s, Pakistan was seen as a model of economic development around the world, and there was much praise for its economic progression. The capital Karachi was seen as an economic role model around the world, and there was much praise for the way its economy was progressing. Many countries sought to emulate Pakistan's economic planning strategy and one of them, South Korea, copied the city's second "Five-Year Plan"; the World Financial Centre in Seoul is modeled after Karachi.

Later, economic mismanagement in general, and fiscally imprudent economic policies in particular, caused a large increase in

the country's public debt and led to slower growth in the 1990s. Two wars with India - the Second Kashmir War in 1965 and the Bangladesh Liberation War in 1971 - and the resultant separation of Bangladesh from Pakistan also adversely affected economic growth. In particular, the latter war brought the economy close to recession, although economic output rebounded sharply until the nationalisations of the mid-1970s. The economy recovered during the 1980s via a policy of deregulation, as well as an increased inflow of foreign aid and remittances from expatriate workers.

Pakistan Industries

Review on Pakistan from Economic Watch Pakistan's economy can be characterized as semi-industrialized. The country's industrial sector constitutes 24.3% of the country's gross domestic product. Pakistan has a total labor force of 55.88 million. The largest industries of the country are textile, cement, agriculture, fertilizer, steel, tobacco, edible oil, pharmaceuticals, construction materials, shrimp, sugar, food processing, chemicals and machinery. Pakistan's industrial sector experienced tremendous growth between 2004 and 2006 despite the shortage of electricity. However, it is worth noting that net foreign investment in industries of Pakistan constitutes only 2.5% of the country's GDP.

Pakistan Economic Review

Pakistan economic review projects that because of strong economic policies taken up by Pakistan government manufacturing and financial services sectors have flourished since fiscal 2008. Export of goods is a major concern for Pakistan economy. From 1999, exports of Pakistan have increased from dollar 7.5 billion to dollar 18 billion in financial year 2007-2008. Major items for exports include cotton fiber, vegetables, rice, electrical appliances, furniture, cement, tiles, marble, textiles, clothing, sports goods, powdered milk, livestock meat, software, seafood, leather goods, surgical instruments, carpets, rugs, ice cream, chicken, wheat, processed food items, Pakistani assembled Suzuki cars, salt, defense equipment, marble and engineering goods to mention a few. Some important import items of Pakistan are petroleum and petroleum products, automobiles, medicines, industrial machinery, construction machinery, trucks, electronics, civilian aircraft, computers, pharmaceutical products, computer parts, food items, toys, defense equipment, iron and steel. Economic review of Pakistan has been focusing in recent times on how to deal with economic recession. Economic indicators look

positive in present situation. Discount rate of central bank has been improved to 1.5 percentage points. This will help in dealing with high inflation rate in Pakistan. Pakistan economic review projects that government encourages foreign investments in various fields of real estate, telecommunications, software, energy, fertilizer, aerospace, textiles, steel, ship building, arms manufacturing, cement and automotives.

Pakistan Economic Structure

Characterized as semi-industrialized, Pakistan's economy has grown tremendously since its independence in 1947. Punjab and Karachi states constitute the major share in the economic growth of the country. The first decade of the 21st century has experienced wide-ranging economic reforms particularly in manufacturing and financial services sector, leading to improvement in the country's economic outlook.

Pakistan Economic Structure: Primary Sector

Pakistan's primary sector plays a major role in the country's economy. Primarily an agrarian economy, Pakistan produces a range of agricultural products. Around 43% of the country's labor is engaged in the primary sector, which in turn contributes 20.8% to the country's economy in 2009. Pakistan is the second largest producer of Chickpea and the third largest producer of mango in the world according to the 2005 Food and Agriculture Organization of the United Nations. Some other major agricultural products of Pakistan include onion, cotton, rice, tangerines, oranges, apricot, sugarcane, date palm, Clementine and wheat. Dairy farming is also a large industry in Pakistan. In fact, Pakistan is the fifth largest milk producer in the world. Although Pakistan has a considerable livestock population, it spends around dollar 40 million a year on formula milk import.

Pakistan Economic Structure: Secondary Sector

Pakistan's manufacturing sector provides employment to 20.3% of the country's labor force. Some major manufacturing industries include cotton textile and apparel manufacturing, carpets, rugs, rice, chemicals, sports goods and leather goods. Some other popular industries are construction materials, mineral, paper products, food processing and beverages. Around 51.4% of country's exports include textile and apparel. The secondary sector experienced a growth of 5.4% in 2007-08. However, electricity shortage remains

the biggest challenge in ensuring development of Pakistan's secondary sector.

Pakistan Economic Structure: Tertiary Sector
The services sector of Pakistan mainly includes industries such as finance, insurance, transport, communications and storage that account for 24% of the country's GDP. Wholesale and retail trade has 30% share in the GDP. With increase in the country's software exports, the IT industry is emerging as a flourishing service industry. Despite union unrest, the Pakistani government is actively engaged in privatization of banking, telecommunications and utilities to produce more jobs in the country.

Q. What is the significance of agricultural sector in the economy of Pakistan?

Answer

Significance of the agricultural sector in the economy
Agriculture is an important sector, providing food to the fast-growing population of the country. According the 1998 census, the total population of Pakistan is 130 million. With a population growth rate of 2.6 percent there is a net addition of 3.4 million people each year. In 1947 the population of Pakistan was 32.5 million; in 50 years it has increased fourfold. During this period the production of wheat, the major food crop, has increased only 2.9 fold. During 1970/71 the amount of wheat imported was 0.3 million tonnes; it has increased to 4.1 million tonnes in 1997. Tremendous efforts have been carried out to narrow the gap between population growth and food production.

Agriculture contributes about 24 percent of the gross domestic product (GDP) and employs 47 percent of the national employed labour force. The contribution of the agricultural sector to the GDP has declined gradually since Pakistan came into existence, from over 50 percent in 1949-50 to about 24 percent in 1996-97. Agriculture still remains the major sector of the GDP composition. A major part of the economy depends on farming through production, processing and distribution of major agricultural commodities.

In foreign trade agriculture again dominates, through exports of raw products such as rice and cotton and semi-processed and processed products such as cotton yarn, cloth, carpets and leather production .Agriculture is essential for sustainable improvements in

internal and external balances. Of the total export earnings, the share of primary commodities and processed and semi-processed products constituted almost 60 percent of the total exports. There have been some structural changes over time, but the contribution of agro-based products has more or less sustained its position.

The average annual growth rates in the agricultural sector during the 1960s, 1970s and 1980s were 5.07, 2.37 and 5.4 percent, respectively. With the announcement of a new agriculture package by the government in April 1997, the growth rate during 1997/98 has improved to 5.9 percent.

More specifically; the agricultural sector plays an important part in Pakistan's economy by:

1. Contributing 24 percent towards GDP;
2. Providing food to about 130 million people;
3. Earning about 60 percent of the country's total export earnings;
4. Providing employment to 47 percent of the total work force;
5. Providing the main source of livelihood for the rural Population of Pakistan;
6. Providing raw materials for many industries and a market for many locally produced industrial products